| Investment | Gross Purchases (Rs crore) | Gross Sales (Rs crore) | Net Investment (Rs crore) |
|---|---|---|---|
| Equity | 3116368 | 2861651 | 254718 |
| Debt | 183905 | 161668 | 22237 |
| TOTAL : | 3300273 | 3023319 | 276955 |

Total number of Foreign Venture Capital Investors (FVCIs) registered with SEBI as of June 30, 2009 is 134.

The cumulative investments by FVCIs as of March 2009 were Rs. 23,047 crore.

**Relaxation on fiscal deficit ceiling**

2626. MS. MABEL REBELLO:
DR T. SUBBARAMI REDDY:
Will the Minister of FINANCE be pleased to state:

(a) whether States have sought relaxation in fiscal deficit ceiling for 2009-10 so that they can spend more on infrastructure and social programmes;

(b) if so, whether their demand on more leeway for increased social and infrastructure expenditure comes on the heels of the Centre's recent promise of higher spending on its flagship programmes;

(c) if so, whether these measures were discussed with States' Finance Ministers during their discussions with the Finance Minister; and

(d) if so, the main issues raised by States Finance Ministers and to what extent these concessions have been taken into consideration by his Ministry in the budget?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) The State Finance Ministers had sought relaxation in fiscal deficit ceiling for 2009-10 during the meeting held on 11th June, 2009 with the Union Finance Minister, *inter-alia* to enable more spending on infrastructure and social programmes. The main issues raised in this connection, by the State Finance Ministers during the meeting, are given in the enclosed Statement (*See* below). The Finance Minister had announced in the interim budget that in the current environment, there is need for contra-cyclical policy, which calls for a substantial increase in expenditure in infrastructure development and in rural development where the programs such as Bharat Nirman and NREGS are playing a vital social role. The Finance Minister in his Budget speech on 6th July, 2009 has proposed relaxation of fiscal deficit targets under Fiscal Responsibility and Budget Management Act for States from 3.5% to 4% of their Gross State Domestic Product.

***Statement***

*Relaxation on Fiscal Deficit Ceiling*

| Sl. No. | State | Request made by the State regarding relaxation in fiscal deficit ceiling during the pre-Budget consultations with the Union Finance Minister |
|---|---|---|
| 1 | Himachal Pradesh | Fiscal Responsibility and Budget Management (FRBM) target of 3.5% fiscal deficit is unrealistic due to the impact of 6th Central Pay Commission recommendations and this is hampering the investment in Power, Agriculture sectors etc. FRBM Act needs to be amended accordingly. |
| 2 | Rajasthan | Additional market borrowings required to implement flag-ship programmes. Larger borrowing limits for the States to be considered. Similarly limit for fiscal deficit should also be increased. |
| 3 | West Bengal | The entire structure of FRBM Act to be reviewed by an Expert Group. |
| 4 | Bihar | FRBM targets should not be made operational for this year. Fiscal deficit target to be allowed further relaxation and kept at 5% GSDP. |
| 5 | Andhra Pradesh | Higher fiscal deficit target for 2009-10 would help to go for Capital Expenditure to give additional stimulus to the economy. |
| 6 | Gujarat | FRBM Act targets cannot be achieved. Therefore policy statement in this regard should be made. |
| 7 | Jammu & Kashmir | It is not possible to comply with the parameters laid down in the FRBM Act. Expert Group needs to be appointed for a review there of Fiscal deficit to be borne by the Centre fully. |
| 8 | Karnataka | FRBM Act needs to be revised to facilitate increase borrowings by States. |
| 9 | Kerala | FRBM policy needs review with the States given necessary freedom. |
| 10 | Madhya Pradesh | FRBM – Loans GSDP of 3.5% be increased to 5%. |
| 11 | Punjab | FRBM Act needs to be reviewed on an annual basis. |
| 12 | Uttar Pradesh | FRBM Act is not favourable to States and needs review. |
| 13 | Manipur | Increase in FRBM limits proposed. |

**Rise in allotment of preferential shares**

2627. SHRI SANTOSH BAGRODIA:
SHRI O.T. LEPCHA:

Will the Minister of FINANCE be pleased to state: